

TESTIMONY
U.S. HOUSE COMMITTEE ON AGRICULTURE
Subcommittee on Livestock and Horticulture

JERRY HUNTON
August 28, 2006

I would like to thank this committee for their work and taking the time to listen to issues we see as extremely important.

As County Judge of Washington County, I would like to bring to your attention that poultry is accountable for approximately 12% of our economy. A negative impact on poultry would affect our entire Northwest Arkansas economy and everyone living in our area.

I am also a poultry farmer. As we continue to attempt to farm in an environment not friendly to agriculture, we are finding it increasingly difficult to earn a living and pay our mortgages and operating expenses. There was a time years ago when the average citizen understood a great deal about agriculture. This is no longer the case.

In Northwest Arkansas we are seeing a huge influx of people coming to the area seeking work and investment opportunities. Washington and Benton Counties, once leading agriculture counties within the State, are quickly becoming municipal counties. As you would expect, this population increase brings with it diversity in race, income, skills, education and, maybe most importantly, views of the environment. Unfortunately, these different views of the environment can lead to demands on farmers that are not based on science, time lines that cannot be met, and, impossible benchmarks that are creating financial hardships leading many farmers to financial ruin. The Natural Resources Conservation Service (NRCS), Conservation District, and the Cooperative Extension Service are attempting to educate, permit, and, in short, keep a lid on this clash of ideologies. These and other organizations

on the front line must be adequately funded with the goal of educating the 99% of Americans who seem to no longer understand or care where their food comes from.

I am farming the same ground my father and mother bought with money earned while building Liberty Ships in California during WWII. They started dairy farming and raising poultry in 1946. We stopped the dairy in 1998. We now raise purebred Angus cattle and have 12 poultry houses. We raise poultry under a contract with Simmons Foods located in Siloam Springs, Arkansas, which is in Benton County. We provide the houses, the labor, fuel, water, electricity and are responsible for the poultry litter.

Once this litter was seen by most as a valuable organic fertilizer that held no equal in producing pasture and hay. But, with the increasing population in our region which includes Oklahoma and Missouri, litter is now seen as a liability instead of an asset. This has lead to lawsuits, the most notable being the one pressed by the Attorney General of Oklahoma. Although he insists this lawsuit is aimed at the integrator, we all know from experience that whatever the outcome, the farmer will suffer. These farmers have never had a place at any table discussing those issues that could determine whether or not they are allowed to continue farming.

Equally important is the fact that ever-increasing interest rates, gas prices, water, electricity and bedding costs are driving these producers toward financial ruin. All poultry producers that I am aware of, no matter who they grow for, are under basically the same contract. These contracts are offered by the companies and our choice is to accept it or stop raising poultry. Of course, the latter means most, if not all, choosing this path would face bankruptcy. There must be a way to help us pass these huge and ever-increasing costs along the food chain. That can only be accomplished with the integrators accepting the fact that we need help and increasing allowances for all these categories of expenses. We, the farmer, have no means to do this without the integrator beginning the process.

At this point, I want to clearly say that I understand the need for the integrators to stay financially strong. I do sometimes feel that better communication between grower and integrator could solve many issues. Unfortunately, many integrators are suspicious and afraid to allow this communication to occur. This communication should be encouraged for the benefit of all.

We do need direct help from all levels of government in moving poultry litter from farms to those lands suitable for litter application. This help includes offsetting the loss of income to the farmer who historically was able to sell litter to his neighbor and may now have to pay to have it hauled away. Due to the bulk, movement of litter is expensive. Help with funding packaging techniques, such as compression bales and allowing exceptions on state and federal highway weight limits are just two considerations. This would allow trailers with additional axles to haul more bales of litter, therefore, reducing transportation costs and encouraging more entities to be end-users.

The following are a few ideas on how Congress might help:

1. Structure tax credits to integrators who provide adequate fuel allowances for their growers.
2. Congress could, through a 1¢/lb. surcharge on all poultry products, establish a fund to aid poultry farmers with moving litter and other environmental issues.
3. A buy-down of interest rates - Farmers who historically operate on very small margins cannot find enough revenue to overcome the sudden increases we have seen in interest rates.
4. Income tax averaging should be considered.
5. Interest rates on beginning-farmer loans should be low and the definition of a "beginning farmer" relaxed to include those who have been farming for up to five years.
6. Tax exemptions for fuel and equipment for those who move chicken litter and bedding.
7. Encourage water districts that have utilized federal loans and grants to structure water rates more favorable to agriculture users.

There is so much to be said and so little time. Our farmers are the backbone of the Country and many are in danger of losing their seat on this train we call the American Dream.



JERRY HUNTON
County Judge

280 North College, Suite 500
Fayetteville, AR 72701

WASHINGTON COUNTY, ARKANSAS
County Courthouse

BIOGRAPHICAL - JERRY HUNTON

EDUCATION:

Native of Prairie Grove and graduate of Lincoln High School. Graduated from the University of Arkansas in 1973. Commissioned R.O.T.C. (Army) and attained rank of Captain with the 142nd Field Artillery.

PERSONAL DATA:

Married to the former Karen Lynn Reed of Lincoln; has six children (3 girls and 3 boys) and 11 grandchildren.

WORK HISTORY:

- Serving fourth term as Washington County Judge (Elected November, 1998).
- Farms beef and poultry on the family's 600-acre farm south of Prairie Grove.
- Elected to Arkansas House of Representatives, serving 1990 to 1998.

OFFICES AND APPOINTMENTS:

- Named State of Arkansas Farm Family of the Year in 1977.
- Elected to Lincoln School Board, 1980—1990. Served as president 1985 and 1990.
- Serves on the Executive Committee of the County Judges' Association of Arkansas to represent the Northwest District of Arkansas; Chairman of the Board of Ozark Regional Transit; and, member of the Area Agency on Aging Foundation.

AFFILIATIONS

Served 7 years in 142nd Field Artillery and Reserves. Served in the Rogers, Springdale and Fayetteville Batteries.

Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2004.

Name: Jerry Hunton
Address: 14221 Greasy Valley, Prairie Grove, AR 72753
Telephone: (479) 824-5254
Organization you represent (if any): _____

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2004, as well as the source and the amount of each grant or contract. House Rules do NOT require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: EPA - 319 (Litter payment) Amount: \$3,203.19

Source: _____ Amount: _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2004, as well as the source and the amount of each grant or contract:

Source: _____ Amount: _____

Source: _____ Amount: _____

Please check here if this form is NOT applicable to you: _____

Signature: 

* Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: *Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.*

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.